

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

SB 1292 - HB 1454

March 12, 2021

SUMMARY OF ORIGINAL BILL: Prohibits any employer from paying any employee, whose earning or productive capacity is impaired by age, physical, or mental deficiency, or injury, no less than the federal minimum wages, regardless of the federally-authorized subminimum wage.

Defines “employer” as an individual, partnership, association, corporation, business trust, legal representative, or any organized group of persons, not involved in interstate commerce, acting directly or indirectly in the interest of an employer in relation to an employee.

FISCAL IMPACT OF ORIGINAL BILL:

NOT SIGNIFICANT

IMPACT TO COMMERCE OF ORIGINAL BILL:

Increase Business Expenditures – Exceeds \$5,000/FY21-22 and Subsequent Years

SUMMARY OF AMENDMENT (004700): Deletes and rewrites all language after the enacting clause without making any substantive changes to the legislation.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Unchanged from the original fiscal note.

Assumptions for the bill as amended:

- The State of Tennessee has no set minimum wage.
- Based on information provided by the Department of Human Resources, this legislation will have no impact on state government as the State of Tennessee currently pays employees with impairments and disabilities no less than the federal minimum wage, as set by the Fair Labor and Standards Act (FLSA), currently set at \$7.25.
- Local government must also pay its employees \$7.25 per hour.
- This legislation is estimated to have no significant impact on state or local government.

IMPACT TO COMMERCE WITH PROPOSED AMENDMENT:

Unchanged from the original fiscal note.

Assumptions for the bill as amended:

- The State of Tennessee has no set minimum wage.
- Based on information from the U.S. Department of Labor, as of January 1, 2021, only one non-profit entity statewide has been issued certificates to pay nine employees at subminimum hourly wage.
- Furthermore, four additional non-profit entities have pending certificate requests, of an unknown number, that would allow for employment of individuals at subminimum wages.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Bojan Savic". The signature is written in a cursive, flowing style.

Bojan Savic, Interim Executive Director

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